REMARKS

In the Office Action dated January 17, 2006, the Examiner rejected Claims 1-8, 10-16 and 21-25, which are all of the pending claims, under 35 U.S.C. 103 as being unpatentable over U.S. Patent 6,801,999 (Venkatesan, et al.) in view of U.S. Patent 6,192,349 (Husemann, et al.).

The rejection of the claims is respectfully traversed because the prior art does not show or suggest using recognition data, as described in independent claims 1, 2, 3, 10 and 13 to help determine the charge for the use of content data. The rejection is also traversed because Husemann, et al. is not prior art as to the present application.

Accordingly, the Examiner is requested to reconsider and to withdraw the rejection of Claims 1-8, 10-16 and 21-25 under 35 U.S.C. 103, and to allow these claims.

As explained in detail in the present application, the instant invention relates to a system and method for charging users for copying or using digital data. In a preferred embodiment, a server machine generates digital data content that is delivered to a client machine. This content may be of several types, such as audio, video, static image, or text; and the content may be delivered to the client machine in various ways, such as over a network, or by a data recording medium. In addition, the server writes "electronic money" into an IC card that can be used to pay for the use of the generated content by the client machine. The client machine then uses the delivered digital data content, and the IC card is used to pay for the use of that data.

The IC card is also provided with data, referred to as recognition data, that helps to identify the type of the digital data used by the client machine. This information is used to help determine how much the user should be charged for use of the data. Charging or payment information can be written into the IC card. Preferably, both the content sent to the client machine and the IC card is provided with this recognition data. In this way, this data can be used

2   G:\IBM\105\12924\amend\12924.AM9.doc

by the client machine to identify the type of data the object data is, and also the recognition data from the IC card can be used in the payment process.

The references of record do not show or suggest the use of recognition data, on a separate IC card, to help <u>determine</u> the amount of the charge for the use of particular content.

For instance, Venkatesan, et al. describes a watermarking procedure to help control access and use of software objects. In this procedure, a number of identical watermarks are embedded throughout a software object through the use of different secret watermark keys. One or more keys may be transmitted to a user to allow the user controlled or limited access to some or all of the software object.

As the Examiner has recognized, there are a number of important differences between the present invention and the disclosure of Venkatesan, et al. In order to remedy this deficiency of Venkatesan, et al. as a reference, the Examiner relies on Husemann, et al.

Husemann, et al. discloses a smart card that is used in a process to download an electronic ticket to a user. In response to a ticket request, the smart card produces a ticket loading token. This token is used to obtain a ticket, and the smart card is then used to verify authenticity of the ticket. Husemann, et al, thus, is directed more toward verifying authenticity of the ticket, rather than using recognition data on the smart card to determine the price of the ticket.

Each of independent Claims 1, 2, 3, 10 and 13 describes this feature of the present invention. In particular, each of these claims describes the features that an IC card includes this recognition data, and that this data is used to identify <u>and determine</u> the charge for the object data sent to the client machine.

3   G:\IBM\105\12924\amend\12924.AM9.doc

The other references of record have been reviewed, and these other references, whether considered individually or in combination, also to not disclose or suggest the use of this IC card as described in Claims 1, 2, 3, 10 and 13.

Because of the above-discussed differences between Claims 1, 2, 3, 10 and 13 and the prior art, and because of the advantages associated with these differences, Claims 1, 2, 3, 10 and 13 patentably distinguish over the prior art and are allowable. Claims 21, 24 and 25 are dependent from, and are allowable with, Claim 1; and Claims 4-8 are dependent from Claim 3 and are allowable therewith. Also, Claims 11, 12, 22 and 23 are dependent form Claim 10 and are allowable therewith; and Claims 14-16 are dependent from, and are allowable with, Claim 13.

The Examiner is, accordingly, respectfully asked to reconsider and to withdraw the rejection of Claims 1-8, 10-16 and 20-25 under 35 U.S.C. 103, and to allow these claims.

In addition to the foregoing, the rejection of Claims 1-8, 10-16 and 20-25 under 35 U.S.C. §103 is respectfully traversed on the grounds that Husemann, et al. is not prior art as to the present application because Husemann, et al. and this application are assigned to the same corporation, IBM Corporation. Applicants submit that the filing of the present application on December 9, 1999, brings the subject application under the rubric of the amendments made to the Patent Law in the American Inventors Protection Act of 1999. That Act, enacted November 29, 1999, amends 35 U.S.C. §103(c) such that subject matter developed by another person which qualifies as prior art under 35 U.S.C. §102(e) does not preclude patentability where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an application of assignment to the same person.

4 G:\IBM\I05\I2924\amend\I2924.AM9.doc

That this section applies to the instant application is established by the Guidelines concerning the implementation of changes to 35 U.S.C. §§102(g) and 103(c) published in the Official Gazette on April 11, 2000. Those Guidelines includes the statement that the amendment to 103(c) applies to all utility, design and plant patent applications filed on or after November 29, 1999, including continuing applications filed under 37 C.F.R. §1.53(d), continued prosecution applications filed under 37 C.F.R. §1.53(b) and reissues. In view of the filing of the present application on December 9, 1999, Applicants benefit from the statutory restraints imposed in the amendment to §103(c).

That the claims of the present application are patentable over the rejection of record is established by the fact that Husemann, et al. is, on its face, assigned to International Business Machines. The instant application is also assigned to International Business Machines. The Assignment of the instant application to International Business Machines by the Applicants of the present application was mailed March 14 2000 and again on July 13, 2000, to the USPTO for recording. The Assignment was recorded by the USPTO on July 17, 2000 at Reel 010926, Frame 0451.

U.S. Patent 6,192,349 to Husemann, et al. issued February 20, 2001. The present application is entitled to the benefit of the filing date of December 9, 1999. As such, the outstanding rejection of Claims 1-8, 10-16 and 20-25 of the present application applies Husemann, et al. patent predicated upon its availability as a reference under 35 U.S.C. §102(e) in that this is the only subsection of 35 U.S.C. §102 whose requirements are met by this patent.

In view of the requirements of 35 U.S.C. §103(c), as amended November 29, 1999, which apply to the instant application, the Husemann, et al. reference cannot preclude patentability under 35 U.S.C. §103, the section upon which Claims 1-8, 10-16 and 20-25 of the

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present application have been rejected. Thus, these claims of the present application are patentable over the outstanding rejection of record. Reconsideration and removal of this ground of rejection is therefore deemed appropriate. Such action is respectfully urged.

For the reasons advanced above, the Examiner is requested to reconsider and to withdraw the rejection of Claims 1-8, 10-16 and 20-25 under 35 U.S.C. 103, and to allow these claims. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is asked to telephone the undersigned.

Furthermore, applicants are enclosing herewith a Letter Correcting Claim of Priority, for the Examiner's review and consideration, due to a typographical error in the original Claim of Priority and the original Declaration filed in the present application.

Respectfully Submitted,

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Enclosures: Letter Correcting Claim of Priority

6

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